

Washington

The Basic Health Plan

Overview

The Basic Health Plan (Basic Health) is Washington's state-sponsored program that provides affordable, private health care coverage to low-income working families. It offers health insurance subsidies to families with income below 200% of FPL who purchase health coverage from one of nine private health plans participating in the program. In addition to individual enrollment, groups such as provider groups and Indian tribes may sponsor eligible people. Also, employers may sponsor eligible workers and contribute toward their premium in the program.

Location

Statewide in Washington.

Target

Low-income working families.

Beneficiaries Number of Participants

As of June 2000, a total of 217,046 individuals were enrolled in Basic Health. Among these, approximately 131,250 people were in the "regular subsidized" program, which include individual enrollees (106,227), people sponsored by provider groups (2,943), people sponsored by non-provider groups such as Indian tribes (20,415), people enrolled through employer groups (1,176), foster parents (378), and home care workers (111). Among the regular subsidized members, the majority (56%) has income below 100% of FPL.

The "non-regular subsidized" enrollees are composed primarily of children enrolled in Basic Health Plus (funded through Medicaid, described below). A smaller number (approximately 2,300 people) are individuals with income above 200% of FPL who pay the entire premium. The latter, unsubsidized group has declined rapidly in recent years as insurance carriers have stopped offering this option due to adverse selection; in spring/summer 2000 it is available only in one county.

Limited state funding has capped enrollment in the regular subsidized program at approximately 133,000 people; when this cap is reached, applications will continue to be processed, but enrollment will be delayed to allow new spaces to become available through attrition.

Time Frame

Basic Health began in 1988 as a five-year pilot program in two counties. It expanded to additional counties, and became a statewide, permanent program in 1993.

Eligibility

An individual is eligible for the premium subsidy if he/she:

- Is a Washington State resident.
- Has family income less than 200% of FPL (residents of Clark County with income above 200% of FPL may apply for nonsubsidized coverage).¹
- Is not eligible for Medicare and is not institutionalized at time of enrollment.

If parents qualify for Basic Health, their children may qualify for the Basic Health Plus program at no extra cost. Basic Health Plus, administered by the Department of

¹ New legislation has authorized expansion of eligibility to people with income up to 250% of FPL, but the funds to implement this expansion have not been approved as of June 2000.

Social and Health Services and based on Medicaid eligibility criteria, offers a wider range of benefits such as dental and vision care, and physical therapy, with no premiums or copayments. Similarly, pregnant women may be eligible for free maternity coverage through the state's Maternity Benefits Program.

Amount of Subsidy

Premiums are based on family size, income, age, and the health plan selected; there are no deductibles or coinsurance, but copayments are required for most services. State funds pay a portion of the monthly premium, with participants paying as little as \$10 per month per adult for the "benchmark" plan. Participants may be enrolled as individuals or as part of a group.

Coverage

Basic Health coverage is administered through nine private health plans throughout the state. Coverage includes hospitalization, provider visits, emergency services, prescriptions, and other benefits. The sliding scale subsidies are based on the most basic, or "benchmark" plan. If an enrollee selects a more expensive plan from among the Basic Health choices, the enrollee pays the difference in cost in addition to their basic contribution.

Process

Applicants send completed applications and the first month's premium payment to the state. Those who are eligible may join Basic Health as individuals, or through a participating employer, home care agency, or financial sponsor group. Provider groups serving indigent populations, for example, may "sponsor" their uninsured patients, paying (subsidized) premiums, but then receiving reimbursement when medical services are rendered. The largest growth in Basic Health is among immigrants through provider sponsorship.

Employers may enroll their eligible employees in Basic Health group coverage. They can choose to pay all or part of their employees' monthly premiums. However, they must pay a minimum of \$45 per month for each full-time employee and \$25 per month for each part-time employee. Since individuals enrolling in Basic Health pay as little as \$10 per month, there is an incentive for employers to encourage uninsured workers to enroll as individuals rather than through the employer. Apparently this "disincentive" is due to the employer-sponsorship provision being put in place when it was believed that an employer mandate would be implemented. The provision remained in place even after the mandate was repealed.

Outreach and Marketing

Outreach for Basic Health is primarily "piggybacking" onto Medicaid outreach, which provides information through day care centers, churches, employers, and community agencies.

Financing

The regular subsidized Basic Health plan is financed through a state Health Services Account, funded through tobacco settlement payments and state taxes on hospital services, alcohol, and tobacco products. Enrollees contribute toward the premium. Basic Health Plus utilizes federal and state Medicaid funds, and nonsubsidized coverage is financed through enrollee premiums.

Contact for More Information

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Sources: Personal communications with Cathy Everly, Washington State Health Care Authority, and JoAnn Volk, Abt Associates, June 2000; Washington State website: <http://www.wa.gov/hca/basichealth.htm>.

Source: The Commonwealth Fund,
(http://www.cmf.org/programs/insurance/silow-carroll_initiatives_424.pdf)